



**MICHIGAN**  
**HOUSE OF REPRESENTATIVES**  
P.O. Box 30014  
LANSING, MICHIGAN 48909-7514

**MINUTES OF THE COMMITTEE**  
**ON**  
**TAX POLICY**

Wednesday, September 14, 2016      10:30 a.m.      Room 521, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jeff Farrington.

Members present: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

Members absent/excused: None.

Representative Maturen moved to adopt the minutes from the Wednesday, September 7, meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee HB 5786 and HB 5787:

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| HB 5786 (Farrington) | Individual income tax; credit; angel investment tax credit; revise and recreate. |
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| HB 5787 (Farrington) | Economic development; Michigan strategic fund; certification and approval of angel investment tax credits; authorize. |
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The following people submitted cards in opposition to the bills.

Pete Lund, representing Americans for Prosperity.

Howard Ryan, representing Michigan Department of Treasury.

Chairman Farrington explained the changes in the proposed substitute.

Representative Maturen moved to adopt the substitute (H-1) to HB 5786.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

NAYS: None.

PASS: None.

Representative Townsend offered the following amendments to HB 5786 (H-1):

1. Amend page 3, line 7, after “\$6,000,000.00.” by inserting “**AT LEAST \$2,000,000.00 OF THE CREDITS CERTIFIED UNDER THIS SECTION SHALL BE FOR QUALIFIED INVESTMENTS IN QUALIFIED BUSINESS THAT ARE EITHER A MINORITY-OWNED BUSINESS OR A WOMEN-OWNED BUSINESS.**”.

2. Amend page 4, following line 12, by inserting:  
“(E) “**MINORITY-OWNED BUSINESS**” MEANS A BUSINESS THAT IS AT LEAST 51% OWNED BY 1 MORE MINORITY GROUP MEMBERS, OR, IN THE CASE OF ANY PUBLICLY OWNED BUSINESS, AT LEAST 51% OF THE STOCK OF WHICH IS OWNED BY 1 OR MORE MINORITY GROUP MEMBERS, AND THE MANAGEMENT AND DAILY BUSINESS OPERATIONS OF THAT BUSINESS ARE CONTROLLED BY 1 OR MORE MINORITY GROUP MEMBERS. FOR PURPOSES OF THIS SUBDIVISION, MINORITY GROUP MEMBERS ARE UNITED STATES CITIZENS WHO ARE ASIAN, SOUTH ASIAN, AFRICAN-AMERICAN, HISPANIC AMERICAN, ARAB-AMERICAN, PACIFIC ISLANDER, OR NATIVE AMERICAN.” and relettering the remaining subdivisions.

3. Amend page 6, following line 5, by inserting:  
“(I) “**WOMEN-OWNED BUSINESS**” MEANS A BUSINESS THAT IS AT LEAST 51% OWNED BY 1 OR MORE WOMEN, OR, IN THE CASE OF ANY PUBLICLY OWNED BUSINESS, AT LEAST 51% OF THE STOCK OF WHICH IS OWNED BY 1 OR MORE WOMEN, AND THE MANAGEMENT AND DAILY BUSINESS OPERATIONS OF THAT BUSINESS ARE CONTROLLED BY 1 OR MORE WOMEN.

Questions and discussion were held on the amendments.

Representative Townsend moved to adopt the amendments to HB 5786, as substitute (H-1).

The motion failed by a vote of 6-5-2.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Townsend, Clemente, LaVoy, and Byrd.

NAYS: Representatives Yonker, Howrylak, Chatfield, Glenn, and Webber.

PASS: Representatives Somerville and Iden.

Representative Maturen moved to report HB 5786 as substitute (H-1), with recommendation.

The motion prevailed by a vote of 8-5-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Yonker, Iden, Webber, Clemente, LaVoy, and Byrd.

NAYS: Representatives Somerville, Howrylak, Chatfield, Glenn, and Townsend.

PASS: None.

Representative Maturen moved to report HB 5787, with recommendation.

The motion prevailed by a vote of 8-5-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Yonker, Iden, Webber, Clemente, LaVoy, and Byrd.

NAYS: Representatives Somerville, Howrylak, Chatfield, Glenn, and Townsend.

PASS: None.

The Chair laid before the committee HB 5720:

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| HB 5720 (Pscholka) | Michigan business tax; credits; election to file under the Michigan business tax act for a farmland preservation tax credit; allow under certain circumstances. |
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Howard Ryan, representing Michigan Department of Treasury, submitted a card in opposition to the bill, but did not wish to speak.

Representative Clemente offered the following amendment to HB 5720:

1. Amend page 7, following line 10, by inserting:  
"Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 98th Legislature are enacted into law:

(a) House Bill No. 5557.

(b) House Bill No. 5558."

Representative Clemente moved to adopt the amendment to HB 5720.

The motion failed by a vote of 3-10-0.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Clemente, LaVoy, and Byrd.

NAYS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, and Townsend.

PASS: None.

Representative Maturen moved to report HB 5720, with recommendation.

The motion prevailed by a vote of 12-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

NAYS: None.

PASS: Representative Howrylak.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 10:46 a.m.

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Representative Jeff Farrington, Chair

Angie Lake  
Acting Committee Clerk  
September 14, 2016  
16 minutes

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Date Approved and Signed